GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:5789
ANSWERED ON:02.05.2003
EXPORT PROCEEDS
VSM (RETD.) COL. CHOUDHARY

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether the export proceeds aggregating Rs.11,735 crore were pending realisation as on June , 2001, of which Rs.7,549 crore was outstanding for more than two years;

(b) if so, the reasons for non-realisation thereof;

(c) whether 5,262 cases involving unrealised foreign exchange of Rs.2,182.63 crores where export incentives were available of and Duty incentive of Rs.521.58 crores alongwith interest of Rs.188.63 crores were recoverable in these cases;

(d) if so, the details thereof with reasons for not recovering the same; and

(e) the remedial measures taken / proposed to be taken to avoid such huge losses due to non-realisation of foreign exchange in future ?

Answer

Minister of State in the Ministry of Finance (Shri Ananadrao V. Adsul)

(a): The total export bills outstanding as on 30th June 2001 amounted to Rs.15264.90 crores, out of which the export bills outstanding for more than two years were for Rs.8628.20 crores.

(b): Non-realisation of export bills are on account of variety of factors such as slowdown in economy worldwide, disputes over quality of goods, legal disputes, write off proposals/extension for realisation under process, foreign buyers becoming insolvent, disputes over documents negotiated by exporters, repatriation affected from CIS countries and balance of payments problems of various African countries and the repatriation of export realisation proceeds in foreign exchange pending due to externalization problems etc.

(c) & (d): Realisation of export proceeds is an ongoing process and the number of cases and amount of foreign exchange remaining unrealised, keeps varying from time to time. While RBI monitors realisation of export proceeds, action under the provisions of relevant Acts is taken by the Government in cases where export incentives under various schemes are availed of but export proceeds remain unrealised. As on 1.3.2003, 23,500 showcause notices to the defaulting exporters have been issued by the Ministry of Finance (Department of Revenue) and drawback amount to the extent of Rs.93 crores approximately, has been recovered.

(e): Monitoring system for realisation of export proceeds has been further strengthened for early realisation of export proceeds.